

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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(FOR KEY SEE REVERSE)

SOURCE: 25X1X

The Council for Mutual Economic Assistance includes the USSR and all the satellites, including East Germany, which was represented by Minister Heinrich Rau, other ministers, and Werner Lange of the State Planning Commission. The council, which convened only according to circumstances (sic), had to coordinate the industrial and agricultural production and determine the import and export quotas of the Eastern countries, as well as to rule on the distribution and storage of goods, and to outline details to the pertinent ministries of the countries concerned. The council also passed on the construction of new industrial enterprises, according to the requirements of the Eastern Bloc as a whole, having the power to recommend, for example, that Poland drop plans for construction of a steel mill in deference to Czechoslovakia, and construct a different type of plant, even though this were against the national interests of Poland. The council also fixed and controlled the prices for barter products, thus establishing a uniform price basis for all Eastern Bloc countries, in addition to the standardization of production. Finally, the council determined which specialists were to be sent to the factories of other countries for instruction and information purposes by the various ministries, in cooperation with the foreign ministries and the official in charge of research and technology in the country to be visited.

25X1A Comment. The information on establishing a uniform price basis seems to be incorrect, as a previous report indicated that the coal price was agreed upon only for Poland and East Germany during the trade negotiations.

25X1A 1. Comment. It is difficult to tell from the tenses used in this report whether or not source is referring to the council in general or to the meeting which was held in September 1952. Meetings are supposed to be held on a quarterly basis.

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